

105TH CONGRESS
2D SESSION

H. R. 3622

To amend section 2007 of the Social Security Act to provide grant funding for 20 additional empowerment zones, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1998

Mr. RANGEL introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend section 2007 of the Social Security Act to provide grant funding for 20 additional empowerment zones, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Empowerment Zone
5 Enhancement Act of 1998”.

6 **SEC. 2. FUNDING ENTITLEMENT FOR ADDITIONAL ENTER-**
7 **PRISE ZONES.**

8 (a) ENTITLEMENT.—Section 2007(a)(1) of the Social
9 Security Act (42 U.S.C. 1397f(a)) is amended—

1 (1) in subparagraph (A), by striking “in the
2 State; and” and inserting “in the State designated
3 pursuant to section 1391(b) of the Internal Revenue
4 Code of 1986;”;

5 (2) in subparagraph (B), by striking the period
6 at the end and inserting “; and”; and

7 (3) by adding after subparagraph (B) the fol-
8 lowing new subparagraph:

9 “(C) 10 grants under this section for each
10 qualified empowerment zone in the State des-
11 ignated pursuant to section 1391(g) of such
12 Code.”.

13 (b) AMOUNT OF GRANTS.—Section 2007(a)(2) of
14 that Act (42 U.S.C. 1397f(a)(2)) is amended—

15 (1) in the heading of subparagraph (A), by in-
16 serting “ORIGINAL” before “EMPOWERMENT”;

17 (2) in subparagraph (A), in the matter preced-
18 ing clause (i), by inserting “described in paragraph
19 (1)(A)” after “empowerment zone”;

20 (3) by redesignating subparagraph (C) as sub-
21 paragraph (D); and

22 (4) by inserting after subparagraph (B) the fol-
23 lowing new subparagraph:

24 “(C) ADDITIONAL EMPOWERMENT
25 GRANTS.—The amount of each grant to a State

1 under this section for a qualified empowerment
2 zone described in paragraph (1)(C) shall be—

3 “(i) if the zone is designated in an
4 urban area, \$10,000,000, or

5 “(ii) if the zone is designated in a
6 rural area, \$4,000,000,

7 multiplied by the proportion of the population
8 of the zone that resides in the State.”.

9 (c) TIMING OF GRANTS.—Section 2007(a)(3) of that
10 Act (42 U.S.C. 1397f(a)(3)) is amended—

11 (1) in the heading of subparagraph (A), by in-
12 serting “ORIGINAL” before “QUALIFIED”;

13 (2) in subparagraph (A), in the matter preced-
14 ing clause (i), by inserting “described in paragraph
15 (1)(A)” after “empowerment zone”; and

16 (3) by adding after subparagraph (B) the fol-
17 lowing new subparagraph:

18 “(C) ADDITIONAL QUALIFIED EMPOWER-
19 MENT ZONES.—With respect to each qualified
20 empowerment zone described in paragraph
21 (1)(C), the Secretary shall make—

22 “(i) 1 grant under this subsection to
23 the State in which the zone lies, on the
24 date of the designation of the zone under
25 such part I; and

1 “(ii) 1 grant under this subsection to
 2 such State, on the first day of each of the
 3 nine fiscal years that begin after the date
 4 of the designation.”.

5 (d) FUNDING.—Section 2007(a)(4) of that Act (42
 6 U.S.C. 1397f(a)(4)) is amended—

7 (1) by relocating and redesignating the matter
 8 following the caption as subparagraph (A);

9 (2) by inserting “ORIGINAL GRANTS.—” after
 10 the subparagraph designation “(A)”;

11 (3) in subparagraph (A), as so redesignated, by
 12 inserting before the period “for empowerment zones
 13 and enterprise communities described in subpara-
 14 graphs (A) and (B) of paragraph (1)”;

15 (4) by adding after subparagraph (A), as so re-
 16 designated, the following new subparagraph:

17 “(B) ADDITIONAL GRANTS.—
 18 \$1,700,000,000 shall be made available to the
 19 Secretary for grants under this section for em-
 20 powerment zones described in paragraph
 21 (1)(C).”.

22 **SEC. 3. RESPONSIBILITY FOR ENVIRONMENTAL REVIEW.**

23 Section 2007 of the Social Security Act (42 U.S.C.
 24 1397f) is amended—

1 (1) by redesignating subsection (f) as sub-
2 section (h); and

3 (2) by inserting after subsection (e) the follow-
4 ing new subsection:

5 “(f) ENVIRONMENTAL REVIEW.—

6 “(1) EXECUTION OF RESPONSIBILITY BY THE
7 SECRETARY OF HOUSING AND URBAN DEVELOPMENT
8 AND THE SECRETARY OF AGRICULTURE.—

9 “(A) APPLICABILITY.—This subsection
10 shall apply to grants under this section in con-
11 nection with empowerment zones and enterprise
12 communities designated under section 1391(a)
13 of the Internal Revenue Code of 1986 and em-
14 powerment zones designated under section
15 1391(g) of such Code—

16 “(i) by the Secretary of Housing and
17 Urban Development in the case of those lo-
18 cated in urban areas; and

19 “(ii) by the Secretary of Agriculture
20 in the case of those located in rural areas.

21 “(B) EXECUTION OF RESPONSIBILITY.—

22 With respect to grants described in subpara-
23 graph (A), the Secretary of Housing and Urban
24 Development and the Secretary of Agriculture,
25 as appropriate, shall execute the responsibilities

1 under the National Environmental Policy Act of
2 1969 and other provisions of law which further
3 the purposes of such Act (as specified in regula-
4 tions issued by each such Secretary under para-
5 graph (2)(B)) that would otherwise apply to the
6 Secretary of Health and Human Services, and
7 may provide for the assumption of such respon-
8 sibilities in accordance with paragraphs (2)
9 through (5).

10 “(C) DEFINITION OF SECRETARY.—Except
11 as used in subparagraphs (A) and (B), the term
12 ‘Secretary’ as used in this subsection means the
13 Secretary of Housing and Urban Development
14 for purposes of grants under this section with
15 respect to urban areas and means the Secretary
16 of Agriculture for purposes of grants under this
17 section with respect to rural areas.

18 “(2) ASSUMPTION OF RESPONSIBILITY BY
19 STATES, UNITS OF GENERAL LOCAL GOVERNMENT,
20 AND INDIAN TRIBES.—

21 “(A) RELEASE OF FUNDS.—In order to as-
22 sure that the policies of the National Environ-
23 mental Policy Act of 1969 and other provisions
24 of law that further the purposes of such Act (as
25 specified in regulations issued by the Secretary

1 under paragraph (2)(B)) are most effectively
2 implemented in connection with the expenditure
3 of funds under this section, and to assure to the
4 public undiminished protection of the environ-
5 ment, the Secretary may, under such regula-
6 tions, in lieu of the environmental protection
7 procedures otherwise applicable, provide for the
8 release of funds for particular projects to recipi-
9 ents of assistance under this section if the
10 State, unit of general local government, or In-
11 dian tribe, as designated by the Secretary in ac-
12 cordance with regulations issued by the Sec-
13 retary under paragraph (2)(B), assumes all of
14 the responsibilities for environmental review,
15 decisionmaking, and action pursuant to such
16 Act, and such other provisions of law as the
17 regulations of the Secretary specify, that would
18 otherwise apply to the Secretary were the Sec-
19 retary to undertake such projects as Federal
20 projects.

21 “(B) IMPLEMENTATION.—The Secretary of
22 Housing and Urban Development and the Sec-
23 retary of Agriculture shall each issue regula-
24 tions to carry out this subsection only after con-

sultation with the Council on Environmental Quality. Such regulations shall—

“(i) specify any other provisions of law which further the purposes of the National Environmental Policy Act of 1969 and to which the assumption of responsibility as provided in this subsection applies;

“(ii) provide eligibility criteria and procedures for the designation of a State, unit of general local government, or Indian tribe to assume all of the responsibilities in this section;

“(iii) specify the purposes for which funds may be committed without regard to the procedure established under paragraph (3);

“(iv) provide for monitoring of the performance of environmental reviews under this subsection;

“(v) in the discretion of the Secretary, provide for the provision or facilitation of training for such performance; and

“(vi) subject to the discretion of the Secretary, provide for suspension or termi-

1 nation by the Secretary of the assumption
2 under subparagraph (A).

3 “(C) RESPONSIBILITIES OF STATE, UNIT
4 OF GENERAL LOCAL GOVERNMENT, OR INDIAN
5 TRIBE.—The Secretary’s duty under subpara-
6 graph (B) shall not be construed to limit any
7 responsibility assumed by a State, unit of gen-
8 eral local government, or Indian tribe with re-
9 spect to any particular release of funds under
10 subparagraph (A).

11 “(3) PROCEDURE.—The Secretary shall ap-
12 prove the release of funds for projects subject to the
13 procedures authorized by this subsection only if, not
14 less than 15 days prior to such approval and prior
15 to any commitment of funds to such projects (except
16 for such purposes specified in the regulations issued
17 under paragraph (2)(B)), the recipient submits to
18 the Secretary a request for such release accompanied
19 by a certification of the State, unit of general local
20 government, or Indian tribe which meets the require-
21 ments of paragraph (4). The approval by the Sec-
22 retary of any such certification shall be deemed to
23 satisfy the Secretary’s responsibilities pursuant to
24 paragraph (1) under the National Environmental
25 Policy Act of 1969 and such other provisions of law

1 as the regulations of the Secretary specify insofar as
2 those responsibilities relate to the release of funds
3 for projects to be carried out pursuant thereto which
4 are covered by such certification.

5 “(4) CERTIFICATION.—A certification under the
6 procedures authorized by this subsection shall—

7 “(A) be in a form acceptable to the Sec-
8 retary;

9 “(B) be executed by the chief executive of-
10 ficer or other officer of the State, unit of gen-
11 eral local government, or Indian tribe who
12 qualifies under regulations of the Secretary;

13 “(C) specify that the State, unit of general
14 local government, or Indian tribe under this
15 subsection has fully carried out its responsibil-
16 ities as described under paragraph (2); and

17 “(D) specify that the certifying officer—

18 “(i) consents to assume the status of
19 a responsible Federal official under the
20 National Environmental Policy Act of
21 1969 and each provision of law specified in
22 regulations issued by the Secretary insofar
23 as the provisions of such Act or other such
24 provision of law apply pursuant to para-
25 graph (2); and

1 “(ii) is authorized and consents on be-
2 half of the State, unit of general local gov-
3 ernment, or Indian tribe and himself or
4 herself to accept the jurisdiction of the
5 Federal courts for the purpose of enforce-
6 ment of the responsibilities as such an offi-
7 cial.

8 “(5) APPROVAL BY STATES.—In cases in which
9 a unit of general local government carries out the re-
10 sponsibilities described in paragraph (2), the Sec-
11 retary may permit the State to perform those ac-
12 tions of the Secretary described in paragraph (3).
13 The performance of such actions by the State, where
14 permitted, shall be deemed to satisfy the responsibil-
15 ities referred to in the second sentence of paragraph
16 (3).”.

17 **SEC. 4. PERFORMANCE MEASUREMENT AND EVALUATION;**
18 **GRANT ADJUSTMENTS.**

19 Section 2007 of the Social Security Act (42 U.S.C.
20 1397f), as amended by section 4, is further amended by
21 adding after subsection (f) the following new subsection:

22 “(g) PERFORMANCE MEASUREMENT SYSTEM, RE-
23 PORTS, AND EVALUATIONS, GRANT ADJUSTMENTS, AND
24 RELATED MATTERS.—

1 “(1) APPLICABILITY.—The requirements of this
2 subsection—

3 “(A) apply to all grants made by a State,
4 from grants to the State under subsection
5 (a)(2)(C), to lead implementing entities (as de-
6 fined in paragraph (7)) for empowerment zones
7 designated pursuant to section 1391(g) of the
8 Internal Revenue Code of 1986 (26 U.S.C.
9 1391(g)); and

10 “(B) are in addition to the annual report
11 and biennial audit requirements applicable to
12 States under section 2006.

13 “(2) PERFORMANCE MEASUREMENT SYSTEM.—
14 The lead implementing entity for an empowerment
15 zone shall establish a performance measurement sys-
16 tem acceptable to the Secretary to assist in assessing
17 the extent to which its strategic plan is being imple-
18 mented and funds made available under subsection
19 (a)(2)(C) are being used effectively.

20 “(3) PERFORMANCE REPORT.—Each lead im-
21 plementing entity shall submit to the Secretary (and
22 make available to the public upon request), at such
23 time and in such manner as the Secretary shall pre-
24 scribe, a report including an assessment of the
25 progress the empowerment zone has made toward

1 implementing its strategic plan, and such other in-
2 formation as the Secretary shall prescribe. To the
3 extent practicable, the report shall also include infor-
4 mation available to the lead implementing entity
5 with respect to the use of tax incentives available to
6 empowerment zones designated pursuant to section
7 1391(g) of the Internal Revenue Code of 1986.

8 “(4) PERFORMANCE EVALUATIONS, ADJUST-
9 MENTS, AND RECORDKEEPING.—

10 “(A) PERFORMANCE EVALUATIONS.—The
11 Secretary shall regularly evaluate the progress
12 of the lead implementing entity for the em-
13 powerment zone in implementing the strategic
14 plan for the zone, on the basis of performance
15 reviews and any other information that the Sec-
16 retary may require.

17 “(B) ADJUSTMENTS.—On the basis of the
18 Secretary’s evaluation under subparagraph (A),
19 the Secretary may direct the Secretary of
20 Health and Human Services to adjust, reduce,
21 or cancel the grant to a State under subsection
22 (a)(2)(C) for the current or any future fiscal
23 year or years, except that amounts already
24 properly expended by a lead implementing en-
25 tity on eligible activities under this Act shall

1 not be recaptured or deducted from future
2 grants to the State.

3 “(5) RETENTION OF RECORDS.—Each lead im-
4 plementing entity shall keep such records relating to
5 funds received from grants to the State under sub-
6 section (a)(2)(C), including the amounts and disposi-
7 tion of such funds and the types of activities funded,
8 as the Secretary determines to be necessary to en-
9 able the Secretary to evaluate the performance of
10 the lead implementing agency and to determine com-
11 pliance with the requirements of this subsection.

12 “(6) SECRETARY’S ACCESS TO DOCUMENTS.—
13 The Secretary shall have access, for the purpose of
14 evaluations and examinations pursuant to paragraph
15 (4)(A), to any books, documents, papers, and
16 records of any grantee or other entity or person that
17 are pertinent to grant amounts received in connec-
18 tion with this section.

19 “(7) DEFINITIONS.—For purposes of this sub-
20 section—

21 “(A) The term ‘lead implementing entity’
22 means the local government or governments,
23 the governance body of an empowerment zone
24 as specified in the strategic plan, or any non-

1 profit entity that is principal administrator of
2 an empowerment zone.

3 “(B) The term ‘Secretary’ means the Sec-
4 retary of Housing and Urban Development for
5 purposes of grants under this section with re-
6 spect to urban areas and means the Secretary
7 of Agriculture for purposes of grants under this
8 section with respect to rural areas, except as
9 the context otherwise indicates.”.

10 **SEC. 5. TECHNICAL AMENDMENTS.**

11 Section 2007(b) of the Social Security act is amend-
12 ed—

13 (1) in paragraph (2), in the matter preceding
14 subparagraph (A), by striking “to prevent”; and

15 (2) in paragraph (4), in the matter preceding
16 subparagraph (A), by striking “maintain” and in-
17 serting “maintaining”.

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